

**THE STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DG 04-152**

**ORDER OF NOTICE**

On September 1, 2004, KeySpan filed with the Commission its proposed Cost of Gas (COG) rate for the period November 1, 2004 through April 30, 2005 and Local Delivery Adjustment Charges and Supplier Balancing Charges for the period November 1, 2004 through October 31, 2005. KeySpan also filed a Motion for Protective Order and Confidential Treatment and is to file its proposed 2004/05 Winter Fixed Price Option rate no later than September 15, 2004. These filings are docketed as DG 04-152.

The proposed Residential COG rate is \$0.8904 per therm, a \$0.0684 per therm increase over the weighted Residential COG rate of \$0.8220 per therm for last winter. The proposed Commercial/Industrial Low Winter Use COG rate is \$0.7931 per therm and Commercial/Industrial High Winter Use COG rate is \$0.9072 per therm. The proposed Firm Transportation COG rate is \$0.0042 per therm, compared to \$0.0000 per therm for last winter.

The proposed surcharge to recover environmental remediation costs is \$0.0099 per therm, an increase of \$0.0009 per therm from the current environmental surcharges totaling \$0.0090 per therm.

The proposed Conservation Charge for residential non-heating customers is \$0.0101 per therm, a decrease of \$0.0017 per therm from the current rate of \$0.0118 per therm. The proposed Conservation Charge for residential heating customers is \$0.0105 per therm, a decrease of \$0.0018 per therm from the current rate of \$0.0123 per therm. The proposed

Conservation Charge for Commercial and Industrial (C&I) customers is \$0.0097 per therm, an increase of \$0.0009 per therm from the current rate of \$0.0088 per therm.

KeySpan is updating its Supplier Balancing charges, the charges that suppliers are required to pay KeySpan for balancing services as KeySpan attempts to meet the shifting loads for the supplier's customer pools. The proposed Balancing Charge of \$0.15 per MMBtu is an increase of \$0.02 per MMBtu from the current rate of \$0.13 per MMBtu and the proposed Peaking Demand Charge of \$18.28 per MMBtu of Peak Maximum Daily Quantity (MDQ) is a decrease of \$1.16 per MMBtu from the current rate of \$19.44 per MMBtu of Peak MDQ. The changes are based on an update of volumes and costs used in calculating the charges.

The proposed capacity allocator percentages used to allocate pipeline, storage and local peaking capacity to a customer's supplier under New Hampshire's mandatory capacity assignment, required for firm transportation service, have been updated to reflect KeySpan's supply portfolio for the upcoming year.

The estimated impact of the proposed firm sales cost of gas and revised surcharges on a typical residential heating customer's winter bill is an increase of approximately \$62, or 5.75%.

The filing raises, inter alia, issues related to: RSA 378 relative to rates, forecasting of sales, supplier prices and transportation prices, purchasing decisions related to the current and past winter supplies and capacity, revenue projections related to transportation services and released capacity, the causes and treatment of substantial over and under recoveries, the reconciliation of prior period costs and revenues, and the prudence of environmental remediation costs for which recovery is being sought and not previously approved by the Commission.

**Based upon the foregoing, it is hereby**

**ORDERED**, that a Hearing be held before the Commission located at 21 South Fruit Street, Suite 10, Concord, New Hampshire on October 21, 2004 at 9:00 a.m.; and it is

**FURTHER ORDERED**, that during the period prior to the Hearing, the following procedural schedule:

Data Requests by Staff & Intervenors	September 7, 2004
KeySpan Data Responses	September 22, 2004
Technical Session at 9:00 a.m.	October 4, 2004
Data Requests by Staff & Intervenors	October 6, 2004
KeySpan Data Responses	October 12, 2004
Technical Session at 9:00 a.m.	October 15, 2004
Staff & Intervenors Testimony	October 19, 2004
Hearing at 9:00 a.m.	October 21, 2004

is established, with Technical Sessions to be held at the Commission; and it is

**FURTHER ORDERED**, that pursuant to N.H. Admin. Rules Puc 203.01, KeySpan shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than September 23, 2004, in a newspaper with statewide circulation or of general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 21, 2004; and it is

**FURTHER ORDERED**, that pursuant to N.H. Admin. Rules Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission an original and eight copies of a Petition to Intervene with copies sent to KeySpan and the Office of the Consumer

Advocate on or before October 18, 2004, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interests may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.02 and RSA 541-A:32,I(b); and it is

**FURTHER ORDERED**, that any party objecting to a Petition to Intervene make said Objection on or before October 21, 2004.

By order of the Public Utilities Commission of New Hampshire this eighth day of September, 2004.

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Debra A. Howland  
Executive Director & Secretary

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.